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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte MICHAEL G. FOULGER, JEREMY S. COOPER,
MICHAEL SEA LUU, and PETER B. VAN GORDER

Appeal 2009-007619
Application 09/841,167
Technology Center 2100

Before JOSEPH L. DIXON, LANCE LEONARD BARRY, and
HOWARD B. BLANKENSHIP, *Administrative Patent Judges*.

BLANKENSHIP, *Administrative Patent Judge*.

DECISION ON APPEAL[1]

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[1] The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the "MAIL DATE" (paper delivery mode) or the "NOTIFICATION DATE" (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF THE CASE

This is an appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 3-6, 9, 10, 15-18, 21-23, 26-29, and 32-46, which are all the claims remaining in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm-in-part.

Invention

Appellants' invention relates to a method of generating employment market characteristics from a network by accessing an employment resource including data via a network, matching the data to one of a plurality of employment market categories, and updating at least one statistical indicator associated with the matched employment market category. Abstract.

Representative Claim

> 3. A method of generating employment market statistics from a network, comprising the steps of:
>
> (a) accessing an employment resource via the network, the employment resource comprising data;
>
> (b) matching the data to one of a plurality of employment market categories; and
>
> (c) updating at least one statistical indicator associated with the matched employment market category;
>
> wherein step (c) comprises the step of calculating a ratio of resumes associated with the matched employment market category to job listings associated with the matched employment market category.

Examiner's Rejections

Claims 3-6, 9, 10, and 34-37 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Claims 3-6, 9, 10, 15-18, 21-23, 26-29, and 32-46 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Carpenter (US 2003/0229638 A1).

ISSUES

(1) Have Appellants shown that the Examiner erred in concluding that claims 3-6, 9, 10, and 34-37 are directed to an abstract idea?

(2) Have Appellants shown that the Examiner erred in finding that Carpenter describes "calculating a ratio of resumes associated with the matched employment market category to job listings associated with the matched employment category" as recited in claim 3?

(3) Have Appellants shown that the Examiner erred in finding that Carpenter describes "incrementing a first counter associated with the matched employment market category when the employment resource is a resume; and incrementing a second counter associated with the matched employment market category when the employment resource is a job listing" as recited in claim 4?

FINDINGS OF FACT

Carpenter describes a method for providing access to online employment information. The method includes storing employment data in

a database, automatically searching the database for matching employment data, and contacting an employer. Title; Abstract.

PRINCIPLES OF LAW

Statutory Subject Matter for Process Claims

The machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101. *See Bilski v. Kappos*, 130 S.Ct. 3218, 3227 (June 28, 2010). The U.S. Court of Appeals for the Federal Circuit stated the "machine-or-transformation test" for process claims as follows:

> The machine-or-transformation test is a two-branched inquiry; an applicant may show that a process claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. *See* [*Gottschalk v.*] *Benson*, 409 U.S. [63], 70 [(CCPA 1972)]. Certain considerations are applicable to analysis under either branch. First, as illustrated by *Benson* and discussed below, the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patent-eligibility. *See Benson*, 409 U.S. at 71-72. Second, the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity. *See* [*Parker v.*] *Flook*, 437 U.S. [584,] 590 [(1978)].

In re Bilski, 545 F.3d 943, 961-62 (Fed. Cir. 2008) (en banc).

However, the machine-or-transformation test is not the sole test for deciding whether an invention is a patent-eligible process. *Bilski*, 130 S.Ct at 3227. "In searching for a limiting principle, [the Supreme] Court's precedents on the unpatentability of abstract ideas provide useful tools." *Id.* at 3229. The Supreme Court outlined one such precedent:

> In *Benson*, the Court considered whether a patent application for an algorithm to convert binary-coded decimal numerals into pure binary code was a "process" under § 101. 409 U.S., at 64-67. The Court first explained that "'[a] principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right.'" *Id.* at 67 (quoting *Le Roy* [*v. Tatham*, 55 U.S. 156], at 175 [(1852)]). The Court then held the application at issue was not a "process," but an unpatentable abstract idea. "It is conceded that one may not patent an idea. But in practical effect that would be the result if the formula for converting… numerals to pure binary numerals were patented in this case." 409 U. S. [63], at 71. A contrary holding "would wholly pre-empt the mathematical formula and in practical effect would be a patent on the algorithm itself." *Id.* at 72.

Bilski at 3230.

Anticipation

"Anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." *Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1458 (Fed. Cir. 1984).

ANALYSIS

Section 101 rejection of claims 3-6, 9, 10, and 34-37

The Examiner finds that claim 3 neither recites a particular machine nor transforms subject matter to a different state or thing. Ans. 3. Appellants contend that claim 3 clearly recites patent-eligible subject matter for a method, including accessing an employment resource via the network. Reply Br. 15-16.

With respect to the "machine" inquiry of the "machine-or-transformation" test, we find that claim 3 recites a method of generating employment market statistics comprising the steps of "accessing," "matching," and "updating." However, the only step limited to use of a machine or apparatus is the data gathering step of accessing an employment resource via "the network." The "matching" and "updating" requires no more than a mental step of "matching" and a mental, or pencil and paper, step of "updating." In view of the generic recitation of a "network" from which data is gathered, we find that claim 3 fails to require a "particular machine" consistent with the requirements of the "machine-or-transformation" test.

Turning to the "transformation" branch of the "machine-or-transformation" test, we find that updating the "statistical indicator" by "calculating a ratio" fails to qualify as a transformation of an article to a different state or thing. Updating a "statistical indicator" (data) does not modify or affect the underlying structure and function of a machine or a storage medium, even if the "updating" were limited to machine implementation. *See Ex parte Nehls*, 88 USPQ2d 1883, 1887-90 (BPAI 2008) (precedential) (discussing non-functional descriptive material).

Thus, we find that claim 3 fails to satisfy either inquiry of the "machine-or-transformation" test.

However, our guidance from the Supreme Court in *Bilski* indicates that the "machine-or-transformation" test is not the final inquiry under 35 U.S.C. § 101. We must further analyze claim 3 under the Supreme Court's precedents on the unpatentability of abstract ideas.

Claim 3 results in "updating at least one statistical indicator," which is similar to determining an updated alarm limit value as discussed in *Parker v. Flook*, 437 U.S. 584 (1978). The numeric "indicator" resulting from the data gathering and mathematical computations of claim 3 is not used in any manner to perform a corresponding control function of a physical machine, such as opening a rubber mold, as discussed in *Diamond v. Diehr*, 450 U.S. 175 (1981). Further, similar to the result in *Benson*, concluding that the claimed subject matter is patent eligible under 35 U.S.C. § 101 would effectively pre-empt updating of a value by calculating a particular ratio, and in practical effect would be a patent on the idea for calculating the ratio itself. As the Supreme Court has made clear, "[a]n idea of itself is not patentable." *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994) (quoting *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. (20 Wall.) 498, 507 (1874)). Moreover, the invention of claim 3 is merely an algorithm combined with a data-gathering step, which is not patent eligible subject matter. *See In re Grams*, 888 F.2d 835, 839-41 (Fed. Cir. 1989); *In re Bilski*, 545 F.3d at 963.

We conclude that Appellants' invention is directed to an abstract idea. Accordingly, we are not persuaded that the Examiner erred in rejecting claim 3. Appellants have not presented arguments for separate patentability of claims 4-6, 9, 10, and 34-37. Thus, claims 4-6, 9, 10, and 34-37 fall with claim 3. *See* 37 C.F.R. § 41.37(c)(1)(vii).

Section 102 rejection of claims 3, 5, 6, 9, 10, 15, 17, 18, 21-23, 26, 28, 29, 32, and 33

The Examiner finds that Carpenter describes that a search is performed on the resumes and a set of resumes with a relevant percentage rate are returned as good matches. The Examiner concludes that Carpenter describes that a proportion (a ratio) of an entire pool of resumes that are returned as results to a search according to a percentage match (another ratio) of the resumes to the job listings. Ans. 11. However, claim 3 recites "calculating a ratio of resumes associated with the matched employment market category to job listings associated with the matched employment category."

Carpenter, in paragraph 54, describes using content of a new job posting as query input to perform a search on the resumes in a database. The results of the search consist of a set of resumes that meet a relevant percent rate with respect to the job posting content. The Examiner has not explained how a set of resumes that meet a relevant percent rate with respect to the content of a job posting may be deemed "calculating a ratio of resumes associated with the matched employment market category to job listings associated with the matched employment category" as recited in claim 3.

The Examiner has also not identified any other portion of Carpenter that describes "calculating a ratio of resumes associated with the matched employment market category to job listings associated with the matched employment category" as recited in claim 3.

We do not sustain the rejection of claim 3 under 35 U.S.C § 102. Each of independent claims 15, 23, and 26 contains a limitation similar to that of claim 3 for which the rejection fails. Thus, we do not sustain the

rejection of claims 3, 5, 6, 9, 10, 15, 17, 18, 21-23, 26, 28, 29, 32, and 33 under 35 U.S.C § 102.

Section 102 rejection of claims 4, 16, 27, and 34-46

The Examiner finds that in the system of Carpenter, the amount of data stored is tracked and when the amount is higher than a limit, a spider's activity is changed. The Examiner further finds that the system also maintains count of the age of documents. The Examiner concludes that the counters of Carpenter describe counters associated with the data of the system. Ans. 11-12. However, claim 4 does not recite "counters associated with the data of the system." Claim 4 recites "incrementing a first counter associated with the matched employment market category when the employment resource is a resume; and incrementing a second counter associated with the matched employment market category when the employment resource is a job listing."

Paragraph 47 of Carpenter describes adjusting a spider schedule based on an amount of changes that have occurred to content on a source site, and paragraph 48 describes deleting old documents from a database. The Examiner has not explained how adjusting a spider schedule based on an amount of changes and deleting old documents from a database may be deemed "incrementing a first counter associated with the matched employment market category when the employment resource is a resume; and incrementing a second counter associated with the matched employment market category when the employment resource is a job listing" as recited in claim 4.

We do not sustain the rejection of claim 4 under 35 U.S.C § 102. Each of independent claims 16, 27, and 42 contains a limitation similar to that of claim 4 for which the rejection fails. Thus, we do not sustain the rejection of claims 4, 16, 27, and 34-46 under 35 U.S.C § 102.

CONCLUSIONS OF LAW

(1) Appellants have not shown that the Examiner erred in concluding that claims 3-6, 9, 10, and 34-37 are directed to an abstract idea.

(2) Appellants have shown that the Examiner erred in finding that Carpenter describes "calculating a ratio of resumes associated with the matched employment market category to job listings associated with the matched employment category" as recited in claim 3.

(3) Appellants have shown that the Examiner erred in finding that Carpenter describes "incrementing a first counter associated with the matched employment market category when the employment resource is a resume; and incrementing a second counter associated with the matched employment market category when the employment resource is a job listing" as recited in claim 4.

DECISION

The rejection of claims 3-6, 9, 10, and 34-37 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is affirmed.

The rejection of claims 3-6, 9, 10, 15-18, 21-23, 26-29, and 32-46 under 35 U.S.C. § 102(e) as being anticipated by Carpenter is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 41.50(f).

AFFIRMED-IN-PART

msc

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